

5403
DECISION



19. Verge
20. 12-1-78
THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C. 20548

FILE: B-190715

DATE: March 24, 1978

MATTER OF: Burton Newmark--Reimbursement for real estate expenses

DIGEST: Employee claims real estate expenses pursuant to transfer of official duty station from Oxon Hill, Maryland, to Germantown, Maryland, and seeks reimbursement for buyer's closing costs which he paid on sale of old residence. Although seller may assume purchaser's closing cost in "buyer's market," claim may not be paid since closing costs are not customarily paid by the seller in Prince George's County, Maryland, locality of employee's residence.

This action is in response to a request for an advance decision from Donald C. Gestiehr, an authorized certifying officer with the Department of Energy (DOE), concerning the claim of Mr. Burton Newmark, a DOE employee, for reimbursement of certain real estate expenses incurred pursuant to a change of official duty station.

Mr. Newmark was authorized reimbursement for relocation expenses pursuant to his transfer from Oxon Hill, Maryland, to Germantown, Maryland, and he submitted a claim for real estate expenses on the sale of his residence at his old duty station. The administrative office denied that part of Mr. Newmark's claim which represented the purchaser's closing costs, \$1,350, on the ground that it was not customary in Prince George's County, Maryland, for the seller to pay part or all of the purchaser's closing costs. Mr. Newmark has submitted a reclaim voucher for that amount along with two letters from the Prince George's County Board of Realtors, Inc. which state that the payment of purchaser's closing costs is a customary and accepted practice, especially in a "buyer's market."

The authority for reimbursement of real estate expenses incurred by an employee pursuant to a transfer of official duty station is contained in 5 U.S.C. 5724a (1976) and the implementing regulations, the Federal Travel Regulations (FTR) (FPMR 101-7) (May 1973). Under the provisions of FTR para. 2-6.2d, certain real estate expenses are reimbursable if "customarily" paid by the seller of a residence at the old official duty station.

With regard to what expenses are customarily paid by the seller or buyer, our Office has held that just because it is not uncommon for a seller to assume a buyer's closing costs by contract that does not mean such a practice is customary. See Wayne F. Holt, B-189295, August 16, 1977;

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Albert C. Logan, B-184993, September 20, 1976; and B-179414, January 25, 1974. In determining what is customary in a given area with respect to the charging of closing costs to a seller or buyer, the local offices of the Department of Housing and Urban Development (HUD) should be consulted. See FTR para. 2-6.3c. In the present case, we were informally advised by the Washington Area Office of HUD that in Prince George's County closing costs are customarily paid by the buyer. See also Logan, supra, which involved the sale of a residence in the same locality as Mr. Newmark's residence. Despite statements to the contrary from the Board of Realtors, it appears that a buyer's closing costs are not customarily paid by the seller in Prince George's County, Maryland, and, therefore, Mr. Newmark may not be reimbursed for this expense.

Accordingly, the voucher may not be certified for payment.


Deputy Comptroller General
of the United States